

12 Shared Assets

12.1 Introduction

Shared assets are used to provide prescribed transmission services and either non-regulated transmission services or services that are not transmission services²⁰³. The assets may be fixed (e.g. poles), mobile (e.g. vehicles) or non-physical (e.g. radio frequency spectrum).

This chapter sets out Powerlink's assessment of our forecast unregulated revenues from shared assets for the 2027-32 regulatory period. The purpose of this assessment is to determine whether any adjustment is required to our proposed annual revenue requirement.

Key highlights:

- Shared Asset Unregulated Revenues for the 2027-32 regulatory period have been assessed as not material, based on the approach in the Australian Energy Regulator's Shared Asset Guidelines.
- We have not adjusted our proposed annual revenues in our Revenue Proposal.

12.2 Regulatory requirements

The National Electricity Rules (Rules)²⁰⁴ allow the Australian Energy Regulator (AER) to reduce a Transmission Network Service Provider's (TNSP's) annual revenue requirement to reflect the costs attributable to services which generate unregulated revenues. The AER's approach to making an adjustment to revenue is set out in its Shared Asset Guidelines (SA Guidelines)²⁰⁵.

The SA Guidelines sets out the following process to establish the shared asset cost reduction for each year of the regulatory period:

- determine the Shared Asset Unregulated Revenues (SAUR)
- determine whether the SAUR is material (i.e. exceeds 1% of the proposed annual revenue requirement)
- where the SAUR is material, calculate the shared asset cost reduction (equal to 10% of the SAUR), subject to:
 - application of the control step (i.e. a cap) and/or
 - adjustments for contributed assets, if any.

Where the SAUR is not material, no further action is required.

Materiality and the unregulated revenue relevant to cost reductions are determined by averaging the forecast SAUR over the 2027-32 regulatory period. Where the SAUR is material, the SA Guidelines allows for TNSPs to propose an alternative method to calculate a cost reduction. The TNSP must demonstrate that customers would be no worse off compared to the SA Guidelines approach.

Where assets provide prescribed transmission services and unregulated services consistent with a TNSP's Cost Allocation Methodology, the shared asset mechanism does not apply.

²⁰³ National Electricity Rules, clause 6A.5.5.

²⁰⁴ National Electricity Rules, clause 6A.5.5.

²⁰⁵ Shared Asset Guidelines (version 2), Australian Energy Regulator, June 2025.

12.3 Shared assets assessment

Our assessment shows the unregulated use of shared assets is not forecast to be material (i.e. remains under the 1% materiality threshold) in any year of the 2027-32 regulatory period, as shown in Table 12.1. As a result, we propose no adjustment to our annual revenues in our Revenue Proposal.

Table 12.1 - Materiality assessment (\$million nominal)

	2028	2029	2030	2031	2032	Total
Proposed smoothed Maximum Allowed Revenue (MAR)	989.8	1,046.0	1,118.8	1,216.0	1,339.7	5,710.2
1% of smoothed MAR	9.9	10.5	11.2	12.2	13.4	57.1
Average annual SAUR	3.9	3.9	3.9	3.9	3.9	19.5
SAUR as % MAR	0.4%	0.4%	0.3%	0.3%	0.3%	
Exceed 1% Materiality Test	No	No	No	No	No	

12.4 Our approach

We have applied the AER's approach outlined in Section 12.2 to determine whether a revenue adjustment should be applied. We have adopted the same methodology to estimate our SAUR as applied in our previous 2023-27 Revenue Proposal.

12.4.1 Shared asset unregulated revenues

We have identified non-regulated services that use shared assets and are applicable to the shared assets mechanism in the 2027-32 regulatory period. These are:

- **Property rentals** – rental income from our land or buildings, either acquired for or incidental to the development of our prescribed transmission network.
- **Tower access** – provision of space for the co-location of mobile phone carriers' equipment on our transmission and communications towers.
- **QDATA** – commercial data service offering network-related information for the Queensland region.
- **Property searches** – provision of information to help applicants determine whether Powerlink holds any assets or interests in relation to specified land parcels.
- **Easement compensation** – compensation received from non-regulated customers for the right to access, construct and maintain transmission lines on Powerlink's regulated substation land during the term of their Connection and Access Agreement.

Our forecast of SAUR for each of these services and in total is shown in Table 12.2.

Table 12.2 - Forecast SAUR (\$million nominal)

	2028	2029	2030	2031	2032	Total
Property rentals	0.6	0.6	0.6	0.6	0.6	2.9
Tower access	1.9	1.9	2.0	2.0	2.1	9.8
QDATA	0.1	0.1	0.1	0.1	0.1	0.3
Property searches	0.2	0.2	0.2	0.2	0.2	1.1
Easement compensation	1.0	1.1	1.1	1.1	1.1	5.4
Total	3.7	3.8	3.9	4.0	4.1	19.5

12.4.2 Materiality

The SA Guidelines state that SAUR will be considered material when the average for the period is greater than 1% of the total smoothed revenue requirement for that regulatory year.

Our unregulated use of shared assets applicable to the shared assets mechanism in the 2027-32 regulatory period is not forecast to exceed the 1% materiality threshold in any year. As a result, no revenue adjustment has been applied.